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Mr. PEARSON. Mr. President, I am submitting today an amendment to H.R. 6860, the "Energy Conservation and Conversion Act of 1975," as approved by the House of Representatives. I ask that this amendment be printed and referred to the committee of jurisdiction for consideration.

The PRESIDING OFFICER. The amendment will be received and printed, and appropriately referred.

Mr. PEARSON. Mr. President, on June 12 I proposed amendment No. 586 (in the nature of a substitute) to S. 692, the "Natural Gas Production and Conservation Act of 1975." I am gratified and pleased that 17 of my colleagues have, as of today, joined as cosponsors of amendment No. 586 which provides for phased decontrol of the wellhead price of natural gas. At the time I offered amendment No. 586, my introductory remarks contained the following comment:

Mr. President, concern has been expressed within the Committee on Commerce about the possibility of windfall profits to energy companies if wellhead price regulation is phased out. Personally, I would support an excess profits tax, with a reasonable "plowback" feature, to ensure that capital generated by sales of new natural gas is reinvested in America's energy future. Of course, such legislation under the Constitution must originate in the House of Representatives, or be offered as an amendment during Senate consideration of a House-approved tax bill.

When the appropriate opportunity presents itself, I will be working with those who seek to promote the maximum possible reinvestment of energy revenues in new energy supplies.

Mr. President, the Senate now has before it H.R. 6860. The amendment which I today propose to that bill would provide for a windfall profits tax, with a plowback feature, on production of old oil—assuming controls over such oil are phased out—and on sales of natural gas which would be decontrolled pursuant to my amendment No. 586—in the nature of a substitute—to the Commerce Committee's natural gas pricing legislation.

The windfall profits-plowback tax proposal which I am submitting today is in two parts: First, it incorporates legislation proposed by the distinguished Representative in Congress from New York (Mr. CONABLE) to impose a tax on decontrolled old oil, assuming such oil is decontrolled. Mr. CONABLE's proposal was introduced as separate legislation in the House, and referred to the Committee on Ways and Means as H.R. 7686. Second, the amendment I am offering today expands Mr. CONABLE's bill to include a windfall profits-plowback requirement on the production of "new natural gas" as defined in title III of S. 594, the administration's omnibus energy bill, and in my natural gas proposal, amendment No. 586.

Under the terms of the windfall profits-plowback proposal as it relates to natural gas, my amendment would provide that 90 percent of all revenues in excess of 51 cents per thousand cubic feet—the current FPC ceiling price—received by producers from sales of natural gas available in interstate commerce after the expiration of a contract by its own terms would be subject to tax unless such revenues are "plowed back" in new

energy production. My amendment further provides that all revenues in excess of a 20-percent rate of return on investment in the production of natural gas from wells commenced after January 1, 1975, will be subject to the 90 percent tax unless "plowed back" in specified activities designed to stimulate new energy production.

Mr. President, I do not suggest that this tax amendment, as submitted, is in final form. I would solicit a review of this draft amendment by the appropriate tax experts in the Department of the Treasury, as well as the respective staffs and Congressmen on the Joint Committee, the House Committee on Ways and Means, and the Senate Committee on Finance.

I am submitting this amendment today primarily to ensure that a draft windfall profits tax, with a plowback feature, is squarely before the Committee on Finance, and the full Senate, when the provisions of H.R. 6860 are taken up for consideration.

I personally remain committed to promoting a wellhead pricing policy which attracts capital to energy production in America. I believe that energy production, in the impersonal marketplace, must be permitted to compete with other investment opportunities. Finally, I believe that the additional revenues generated by production of new natural gas, as defined in my amendment No. 586, should be reinvested in America's energy future. The proposal which I am offering today, after it is refined and improved by Senators on the Finance Committee, would accomplish this final objective.

In conclusion, Mr. President, my amendment to the tax bill must be considered separately from Senate consideration of phased wellhead price decontrol of new natural gas. Nevertheless, I believe it to be an essential aspect of a rational national energy policy designed to accelerate domestic production of natural gas and to overcome the current shortage conditions.

I urge my colleagues on the Finance Committee to consider the amendment which I am today offering to the House-passed tax bill at the earliest practicable time.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 586

At the request of Mr. PEARSON, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of amendment No. 586, intended to be proposed to the bill (S. 692) the Natural Gas Production and Conservation Act of 1975.

NOTICE OF CHILD AND FAMILY SERVICES HEARING

Mr. MONDALE. Mr. President, the Senate Subcommittee on Children and Youth, in conjunction with the House Select Subcommittee on Education and the Senate Subcommittee on Employment, Poverty, and Migratory Labor, is holding the final day of hearings on the Child and Family Services Acts of 1975, S. 626 and H.R. 2966, on July 15, 1975 at 9:30 a.m. in room 2261 of the Rayburn House Office Building.

The hearing will focus on the administration's position on child and family services. Mr. Caspar W. Weinberger, the Secretary of the Department of Health, Education, and Welfare will testify at this hearing. Mr. Weinberger will be accompanied by Mr. Stanley B. Thomas, the Assistant Secretary for Human Development, Mr. John C. Young, the Commissioner of the Community Services Administration, Division of Social and Rehabilitation Services, and Mr. Stephen Kurzman, Assistant Secretary for Legislation.

I urge my colleagues and members of the public to attend this important hearing.

ANNOUNCEMENT OF HEARINGS ON S. 495

Mr. RIBICOFF. Mr. President, the Committee on Government Operations is today announcing hearings on S. 495, the "Watergate Reorganization and Reform Act of 1975," for July 21, 29, and 30 in room 3302, Dirksen Office Building. This legislation would enact the reforms recommended by the Senate Select Committee on Presidential Campaign Activities in their momentous report. I am delighted to announce that our lead-off witness will be the eminent constitutional lawyer and distinguished former Senator from North Carolina, Sam J. Ervin, Jr.

Two of the major provisions of S. 495 are the establishment of a permanent Office of the Public Attorney and the creation of a Congressional Legal Counsel. The Public Attorney would be independent of the Justice Department and would have jurisdiction to investigate and prosecute allegations of corruption in the executive branch, conflicts of interest, and violations of election laws. The Congressional Legal Counsel would be available to render legal opinions as to whether a President's actions are within the bounds of his authority and would represent the Congress before the Federal courts.

These provisions, as well as the numerous other provisions of S. 495, raise basic constitutional and policy questions which must be thoroughly discussed before any bill of this significance can be enacted into law. During the past several months, the Government Operations Committee has been closely analyzing the various issues raised by the bill and has solicited and received a number of excellent commentaries from constitutional scholars, distinguished individuals, and former presidential assistants.

The committee welcomes any additional statements or comments on this legislation. Interested parties should direct their comments to the Government Operations Committee, 3306 Dirksen Senate Office Building, Washington, D.C. 20510.

BUDGET COMMITTEE TO HOLD ENERGY, ECONOMY SEMINARS

Mr. MUSKIE. Mr. President, next Tuesday the Senate Budget Committee will begin 2 weeks of public seminars on the budgetary and economic implications of recent or anticipated actions in the

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energy field. Consideration of these issues is essential both to our committee's report of a second concurrent resolution on the fiscal year 1976 budget and its preliminary work on the budget for fiscal year 1977.

These seminars will be held within the context defined in the first report of the Congressional Budget Office entitled "Inflation and Unemployment."

Senator Moss, who serves as chairman of the Committee Task Force on Energy, will chair several of our seminars. I believe Senator Moss' background and interest in environmental protection, technology, minerals development and consumer affairs will be particularly useful in our efforts.

All seminars will begin at 10 a.m. in the committee hearing room, 357 Russell Senate Office Building.

On Tuesday, July 15, the committee will consider the economic outlook as the context for examining energy policy. Alice M. Rivlin, Director of the Congressional Budget Office, Robert W. Hartman, of the Brookings Institution, and Albert T. Sommers of the conference board will testify.

On Thursday, July 17, the committee will look at the internal aspects of the world energy problem. Discussion will focus on the balance-of-payments situation, the petrodollar buildup, the impact of energy price increases on developing nations and the need for new financial institutions to deal with these problems. Witnesses will include Robert Roosa of Brown Bros., Harriman & Co., William Branson of Princeton University, and a representative of the Overseas Development Council.

On Tuesday, July 22, the committee will look at the impact of the energy situation on production. We will consider the increased need for capital by various industries as well as the proposed incentives to encourage such capital formation. Issues to be discussed include price controls, excise, and windfall profits taxes, the development of production frontiers such as Alaska and the Outer Continental Shelf, and the development of new technological frontiers such as oil shale, synthetic fuels, and solar power. Witnesses expected to participate are C. Howard Hardesty of Continental Oil, Kenneth Hill of Rlyth, Eastman, Dillion & Co., Paul Davidson of Rutgers University and Harry Perry, National Economic Research Associates.

On Wednesday, July 23, the subject will be energy consumption. The discussion will focus on proposed incentives for energy conservation either through controls or price increases. Witnesses will include Lee White of the Consumer Federation of America, Herman Kahn of the Hudson Institute, and Lester Lave of Carnegie-Mellon University.

On Thursday, July 24, the committee will consider the impact of alternative energy policies on employment and inflation. The committee will consider the various fiscal and monetary actions which might be required to offset the adverse impact of such policies. Witnesses include George Perry of the Brookings Institution and Phillip Cagan of the National Bureau of Economics Research, Inc.

On Tuesday, July 29, the committee will study the various energy policy "packages" which have been proposed for dealing with the problems of energy, inflation and unemployment in an integrated fashion. Charles Schultze will participate with others.

These 2 weeks of seminars could not be more timely. Anticipated developments in the energy area threaten to reverse the apparent trend toward improved economic conditions. Dealing with significant problems of chronic unemployment and potentially rising inflation rates without recognizing the impact of energy developments cited by the CBO's June 30 report raises obstacles to recovery.

It has become obvious that the problems of unemployment, inflation and energy must be dealt with in a coherent fashion. To address one problem, while ignoring others, is self-defeating. Our solution to the employment problem must reflect our policy judgments as to inflation and energy. Likewise, our solution to the energy situation must reflect our judgments as to appropriate action for dealing with unemployment and inflation.

Recognition of these basic and inevitable trade-offs is critical.

As we begin the following 2 weeks of seminars, our committee will examine the long-term energy challenge, balanced against the twin goals of a prompt, sustained economic recovery and reasonable price stability.

NOTICE OF HEARING

Mr. SPARKMAN. Mr. President, the Subcommittee on Foreign Assistance will hold hearings on legislation to authorize appropriations for the Peace Corps, H.R. 6334, on July 11, 1975, at 10 a.m., in room 421 Dirksen Senate Office Building. The hearings will be chaired by Senator HUMPHREY.

Anyone wishing to testify on the above bill should contact Mr. Arthur M. Kuhl, the Chief Clerk of the Committee on Foreign Relations.

NOTICE OF HEARINGS

Mr. MORGAN. Mr. President, the Subcommittee on Small Business of the Banking, Housing and Urban Affairs Committee will hold hearings on July 21, 22, and 23 to consider S. 197, S. 545, S. 648, S. 1124, S. 1547, S. 1792, S. 1952, H.R. 4888, and such other bills as may be introduced and pending before the Committee on the above dates.

Anyone wishing to appear to testify on these measures should contact Miss Donna Costlow on 224-7391.

NOTICE OF HEARINGS ON CONGRESSIONAL OVERSIGHT OF FEDERAL ADMINISTRATIVE AGENCIES

Mr. ABOUREZK. Mr. President, as chairman of the Subcommittee on Separation of Powers of the Committee on the Judiciary, I am pleased to announce the scheduling of hearings before the subcommittee on the subject of congressional oversight of the Food and Drug

Administration and the Environmental Protection Agency. These hearings are the continuation and extension of hearings on oversight of Federal administrative agencies held by the Subcommittee on Separation of Powers in prior sessions of Congress under the direction of Senator Sam J. Ervin, Jr. The purpose of the subcommittee in holding these hearings is to examine the operations of both of these agencies in light of the Separation of Powers formula.

The hearing on the Food and Drug Administration will be held July 17, 1975, in room 2228 of the Dirksen Senate Office Building commencing at 10 a.m. The hearing on the Environmental Protection Agency will be held July 23, 1975, in room 2228 of the Dirksen Senate Office Building commencing at 10 a.m. also.

Those who wish to testify or submit a statement for inclusion in the record should contact Irene Margolis, staff director, telephone 224-4434, or write to the Subcommittee on Separation of Powers, 1418 Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

ARMS AND MEN IN THE PERSIAN GULF

Mr. KENNEDY. Mr. President, the current issue of the magazine *Present Tense* carries a particularly noteworthy article by Mr. Tad Szulc on the subject of U.S. arms sales to the nations of the Persian Gulf. Reviewing the astonishing escalation in the past several years of the sale of military equipment and technical assistance to the newly rich oil States—particularly Iran and Saudi Arabia—Mr. Szulc argues that:

This massive (American) effort to arm every nation there, must in the long run create a most destabilizing situation in terms of regional and even world peace.

I recently visited the gulf, and I returned convinced that we can do more to promote stability and security in the gulf by stepping back from current practice, and taking a long, hard look at our whole arms sales policy there.

For these reasons, I introduced legislation in the Senate last February to limit the flow of arms to the gulf. My legislation would impose a 6-month moratorium on the sale of arms and related services, unless the administration during that time provided a statement of overall policy toward these sales, and the Congress, by joint resolution, approved it. Recently, I reintroduced this proposal as an amendment to the Foreign Assistance Act, and deleted the 6-month provision.

As Mr. Szulc concluded in his article: The time has come to review the wisdom of this policy, or we may live to regret it.

Does the administration have a policy toward the future of the gulf? Can it justify the massive influx of arms and advisers to these countries? Can it show the Congress, conclusively, that in proceeding with this course of action, it is not causing a serious and intense arms race in that region? Can it guarantee the American people that this flood of arms pouring into the region would not be used in the event of a conflict in the